

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 412 - SB 404

March 4, 2021

SUMMARY OF BILL: Exempts retired police officers serving as a guard, patrol, or watchperson under a contract with a private business that is properly licensed by the state from licensure under the Board of Private Protective Services (BPPS) if the retired officer meets the same requirements to carry a firearm as an active police officer.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$100/FY21-22 and Subsequent Years/
Tennessee Bureau of Investigation
\$500/FY21-22 and FY22-23/
Board of Private Protective Services
\$800/FY23-24 and Subsequent Years/
Board of Private Protective Services**

**Increase State Expenditures – \$100/FY21-22 and Subsequent Years/
Tennessee Bureau of Investigation**

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Private Protective Services experienced a surplus of \$366,435 in FY18-19, a surplus of \$330,287 in FY19-20, and had a cumulative reserve balance of \$3,096,365 on June 30, 2020.

Assumptions:

- Pursuant to Tenn. Code Ann. § 62-35-103(a), a retired police officer is exempt from licensure under the BPPS if the officer has completed the same required firearms training for other armed licensees, and has a written directive issued by the supervisor of the organization that authorized the officer to carry a handgun.
- The proposed legislation only exempts retired police officers from licensure under the BPPS if the officer meets the requirements to carry a firearm as an active police officer established by the Peace Officer Standards and Training (POST) Commission.
- Pursuant to Chapter 1110-10 Rules of the POST Commission, a retired officer seeking certification to carry a firearm shall submit: a signed letter from the chief law enforcement officer of the retired officer's agency that the retired officer is in good standing; proof of having met the annual firearm training by a certified fire arms instructor or instructor at the Tennessee Law Enforcement Training Agency; and a \$10 fee.

- Due to significantly more regulation to receive annual certification to carry a firearm as an active police officer, and retired officers exempt from licensure under current law already taking the required firearms training under the BPPS, it is assumed that the majority of retired officers once exempt from licensure would apply as an armed guard with the BPPS.
- An estimated five additional armed guard licenses annually.
- Armed guards are required to submit a fingerprint background check through the Tennessee Bureau of Investigation (TBI) and the Federal Bureau of Investigation (FBI).
- A national criminal background check costs \$35.15.
- The disbursement of this fee is as follows:
 - TBI: \$13.25;
 - FBI: \$13.25; and
 - Applicable vendor: \$8.65.
- A recurring increase in state revenue to the TBI, beginning in FY21-22, of \$66 (\$13.25 x 5).
- It is assumed that the cost for the TBI to perform such background checks offsets equally with the revenue collected to perform them.
- A recurring increase in state expenditures to the TBI, beginning in FY21-22, of \$66.
- Initial applications for an armed guard license are \$105; renewals are \$60 every two years.
- A recurring increase in state revenue to the BPPS, beginning in FY21-22, of \$525 (\$105 x 5).
- Renewal revenue will begin in FY23-24. A recurring increase in state revenue to the BPPS of \$300 (\$60 x 5).
- The total recurring increase in revenue to the BPPS, in FY23-24 and subsequent years, is \$825 (\$525 + \$300).
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The BPPS experienced a surplus of \$366,435 in FY18-19, a surplus of \$330,287 in FY19-20, and had a cumulative reserve balance of \$3,096,365 on June 30, 2020.

IMPACT TO COMMERCE:

Increase Business Expenditures - \$700/FY21-22 and FY22-23 \$1,000/FY23-24 and Subsequent Years

Assumptions:

- An increase in business expenditures for 5 additional armed guard licenses in FY21-22 and FY22-23 of \$701 [(\$35.15 fingerprint x 5) + \$525 initial applications].
- An increase in business expenditures for 5 armed guards licenses in FY23-24 and subsequent years of \$1,001 [(\$35.15 fingerprint x 5) + \$525 initial applications + \$300 renewal fees].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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